

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2100 - HB 2167

March 31, 2009

SUMMARY OF BILL: Requires all supplemental payments to offset unreimbursed TennCare costs and charity care be equal to the amounts made available by appropriation or otherwise in FY07-08.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$30,000,000

Assumptions:

- According to the Bureau of TennCare, \$110,000,000 in funding for Essential Access Hospitals and Critical Access Hospitals (CAH) is included in the proposed budget for FY09-10. This is the same amount of funds that were appropriated in FY07-08 and FY08-09.
- The provisions of the bill will require an appropriation of \$110,000,000 in state and federal funds each year to continue providing supplemental payments at the FY07-08 level. If the federal share decreased in future years, the state would have to increase its portion to keep these funds at this level.
- Also in FY07-08 and FY08-09, an additional one-time amount of \$30,000,000 was appropriated out of the TennCare reserves.
- Approximately \$16,000,000 of the \$30,000,000 in FY07-08 and FY08-09 was for the state's share of Disproportionate Share Hospital (DSH) payments; approximately \$5,000,000 went to CAH payments; and approximately \$9,000,000 went to the Regional Medical Center in Memphis and Nashville General Hospital.
- DSH payments are not included in the recurring budget because the payments have to be approved by Congress each year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive, flowing style with a large initial "J" and "W".

James W. White, Executive Director

/kml